

Online auctions: going, going, gone!

If you're looking for a hot collectible or simply a good deal, online auctions may appeal to you. But before you place a cyber-bid, consider how online auction houses work. Like a traditional "live" auction, the highest bidder "wins." That's where the similarity ends. Because an online auction house doesn't have the merchandise, the highest bidder deals directly with the seller to complete the sale.

If you're the highest bidder, the seller typically will contact you by e-mail to arrange for payment and delivery. Most sellers accept credit cards, or use a third-party escrow agent to collect your payment, the product you're buying, and process delivery of each. Be cautious, however, if the seller asks you to pay by certified check or money order.

Some online sellers have put items up for auction, taken the highest bidder's money, and never delivered the merchandise. What's more, consumers who paid by certified check or money

order had little recourse when it came to getting their money back.

Follow these tips before you bid in an online auction:

- ✓ **Try to pay by credit card.** If you don't get the merchandise, you can challenge the charges with your credit card issuer.
- ✓ **Ask about using an escrow agent, or paying by COD.** Be aware that most escrow services charge a fee.
- ✓ **Verify the seller's identity.** If you can't, consider this a red flag and avoid doing business with the seller. Some sellers may use a forged e-mail header, making it impossible to contact them if you need to.
- ✓ **Ask how you'll get follow up service, if you need it.** Many sellers don't have the expertise or facilities to provide service for the goods

they sell. Is this important to you?

- ✓ **Avoid impulse bids and purchases.** Online auctions may be enticing, but are you really getting the best price?
- ✓ **Ask about return policies.** Returning merchandise to an online seller may be difficult.
- ✓ **Check out the seller.** Before you pay, check out the seller with the Bureau of Consumer Protection.

For more information, or to file a complaint, contact the Bureau of Consumer Protection at:

(800) 422-7128

FAX: (608) 224-4939

TTY: (608) 224-5058

E-MAIL:

datcphonline@datcp.state.wi.us

WEBSITE:

<http://datcp.state.wi.us/>

(Information from the FTC Consumer Alert, "Online Auctions," 4/98)

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